GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4774
ANSWERED ON:24.08.2001
Increase in Customs Duty on Non-Coking Coal
ASHOK NAMDEORAO MOHOL

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have increased the customs duty on non-coking coal used by Thermal Power Plants;

(b) if so, the reasons therefor;

(c) whether this increase has adversely affected the operations of the power plants and lead to rise in the price of electricity;

(d) if so, whether the State Governments, especially Maharashtra have requested the Union government to place non-coking coal at par with the coking coal level;

(e) if so, the details thereof; and

(f) the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a), (b) & (c) Basic customs duty on non-coking coal was increased from 15% to 25% in May, 2000 in order to provide adequate protection to domestic coal producers. This has increased input costs of power plants using imported coal.

(d) No such request seems to have been received in the Ministry of Finance from the State Governments in the recent past.

(e) & (f) Do not arise in view of (d) above.